Now providing care for 287,438 people in our Health Region.

2002/2003 Annual Report

Saskatoon Health Region

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103-06622/

Letter of Transmittal

The Honourable John Nilson
Minister of Saskatchewan Health
Room 361
Legislative Building
Regina, Saskatchewan
CANADA S4S 0B3

Dear Minister Nilson:

In accordance with requirements stated in Section 55(1) of *The Regional Health Services Act* and *The Tabling of Documents Act*, I am pleased to submit to you, and to the Legislative Assembly of Saskatchewan, the 2002-03 Annual Report of the Saskatoon Health Region.

This was a year of transition. Central Plains, Gabriel Springs, Living Sky and Saskatoon Health Districts merged to become the Saskatoon Health Region on August 1, 2002. We are grateful to the former Boards and management of these health districts for performing the necessary groundwork to enable the new Saskatoon Regional Health Authority to make the successful transition to Saskatoon Health Region.

Our annual report describes the results of the Saskatoon Health Region's work in providing health care services to residents of the health region and other parts of the province. As this was the first (partial) year for the Saskatoon Health Region, the report also incorporates a view of the future.

We are proud of our achievements in this year of continuous change, and we believe we have served the province well in fulfilling our leadership role in the Saskatchewan health care system.

Yours sincerely,

Bob Bundon
Chair, Saskatoon Regional Health Authority

Karen Hart, primary health nurse, checks the ear of a client at the White Buffalo Youth Lodge in Saskatoon

Introduction

The Saskatoon Health Region came into being on August 1, 2002, with the proclamation of *The Regional Health Services Act*. The Health Region consists of the former Central Plains (Humboldt area), Gabriel Springs (Rosthern area), Living Sky (Lanigan area) and Saskatoon health districts. A 12-person government-appointed Regional Health Authority has governance responsibilities for the Health Region.

Saskatoon Health Region is one of the most integrated and complex health delivery agencies in Canada, responsible for services ranging from hospital and long term care to public health and home care. It is the largest health region in the province serving almost 300,000 residents in more than 100 cities, towns and rural municipalities from Radisson to Wadena and Duck Lake to Strasbourg, or 275 kilometres east to west and 210 kilometres north to south.

The Health Region's annual operating budget is $503 million, which equates to spending $1.4 million a day in meeting the health needs of the community and those of people from around the province who require the specialized health services available in Saskatoon.

The Health Region provides services and programs in 10 hospitals (including 3 provincial tertiary centres in Saskatoon), 29 long term care facilities, 5 primary health care sites, 4 public health centres, numerous community-based locations, and in people's homes. The Health Region is the largest single employer in the province with 10,700 staff members and over 700 physicians. It also provides training opportunities to 1,000 health sciences students each year and is a founding member of the Saskatchewan Academic Health Sciences Network.

The purpose of this report is twofold:

- To fulfill the annual reporting requirements established in *The Regional Health Services Act*; and,
- To report to the Minister of Health and the public on the Health Region's activities, performance and achievements related to legislated and delegated responsibilities.

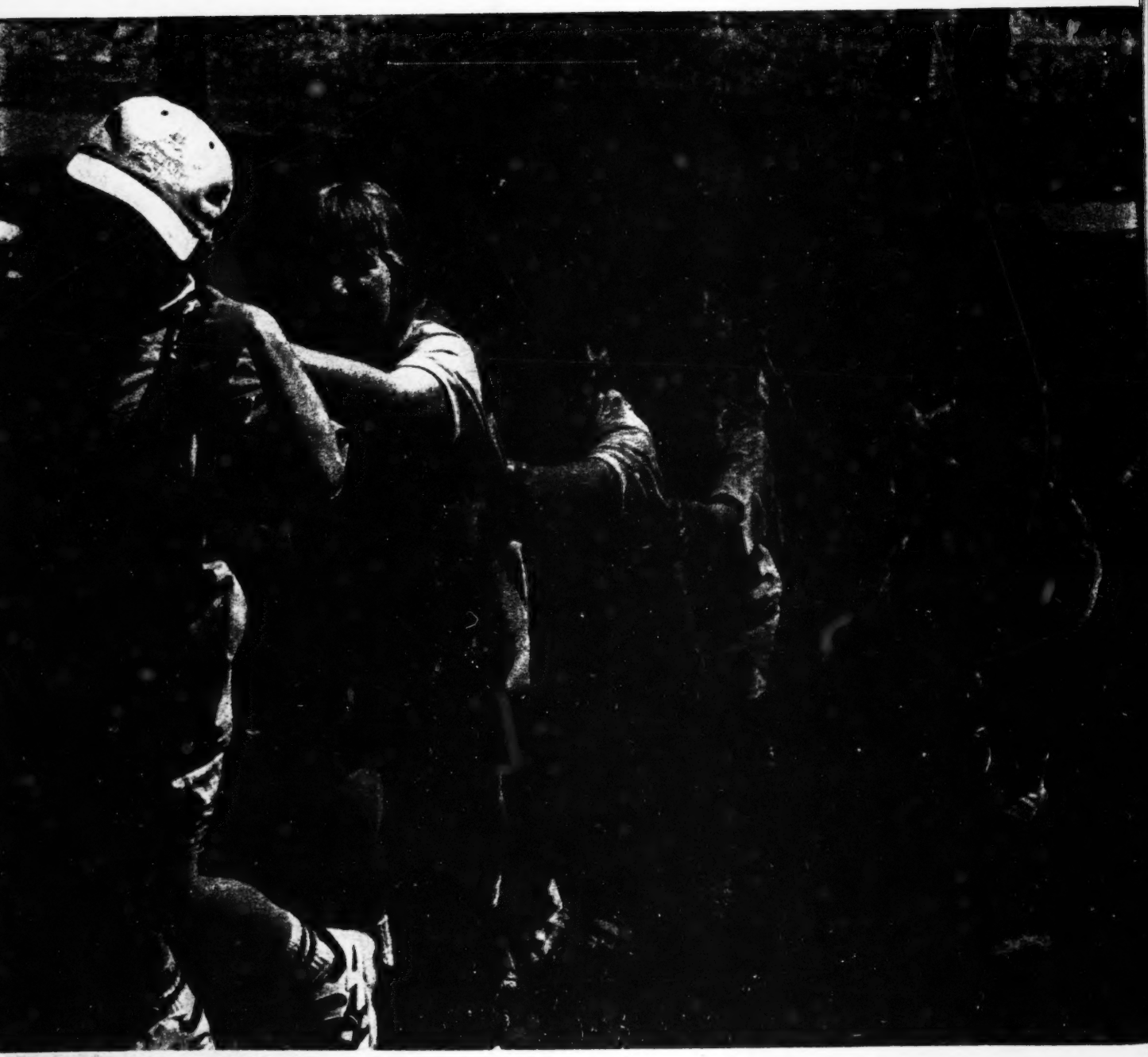
The overriding theme of this annual report is shared responsibility. All of us, as individuals and as members of organizations and communities, have responsibility for sustaining and improving our health and helping our health care system to perform effectively in providing needed services.

Leslie Meister, home care nurse, visits a client in Humboldt

Year at a Glance

The following list contains just a few notable facts as they pertain to the Saskatoon Health Region during the fiscal year under review.

- The Health Region reported an operating surplus at the end of the fiscal year of $769,000 on an overall operating budget of $503 million
- With approximately 11,000 employees, the Health Region is the largest single employer in the province – 59% are health services support staff in areas such as food and nutrition, maintenance, environment (housekeeping) services, 25% are nurses, 8% are professional clinical and technical staff, 4% work in non-unionized affiliated agencies and 4% are managers
- More than 700 physicians work in the Health Region, accounting for 40% of all physicians working in the province
- Approximately 77% of all costs went to pay salaries and benefits for staff in owned and affiliated agencies, and contracted physicians
- Approximately 64% of the overall budget covers expenses related to the delivery of hospital services
- The overall total number of days adult and children patients stayed in hospital was down to 249,741 from the previous year's total of 257,222
- Almost 35,000 inpatient and day surgeries were performed last year, up by almost 3,000 compared to the previous year
- The number of hemodialysis procedures increased to 22,430 from 21,062 the previous year
- The number of emergency room visits was down slightly in Saskatoon's 3 hospitals to 106,425 visits and up slightly in rural hospitals to 36,304 visits in the Health Region compared to the previous year
- The total number of units of nursing and home services to home care clients, including meals, was down to 507,757 from 515,643 the previous year
- The number of people waiting for a bed in a long term care facility continued to decline in Saskatoon to 27 at the end of March and was up slightly for facilities in two of the three former rural districts
- The five formal primary health care centres in the Health Region recorded 7,438 visits
- The number of immunizations continued to increase from previous years to 68,683
- The number of diagnostic tests continued to increase for CT (31,363 scans) and MRI (8,509 scans) procedures
- The number of newborn admissions, 3,982, continued its downward trend
- The average life expectancy at birth was 78.9 years, significantly better than the national and provincial life expectancy rates
- The overall leading causes of death were heart failure and stroke, cancers and diseases of the respiratory system
- The Health Region received a number of provincial and national honours, including being ranked for the 4th consecutive year as one of the top health regions in Canada by Maclean's magazine



Local school children take part in the Health Region's *in motion* active living initiative

Vision, Mission, Values and Goals

The Saskatoon Regional Health Authority has defined a vision, mission and values that are aligned with the Saskatchewan Health vision of *building a province of healthy people and healthy communities.*

Vision

Working in harmony for healthy people and healthy communities

Mission

We work in partnership to improve health and well-being through excellence in consumer-centred service, education and research

Values

- Compassionate care
- Respect for the individual and for diversity
- Shared responsibility for improving health
- Innovation and learning
- Quality and integrity of stewardship

Goals

The Authority has also defined goals that are aligned with the long-term goals of Saskatchewan Health.

Saskatchewan Health goals	*Saskatoon Regional Health Authority goals*
Improved access to quality health services	Improving access to quality services
Effective health promotion and disease prevention	Healthy communities supported by health promotion and disease prevention
Retain, recruit and train health providers	Healthy workplaces supported by measures, including recruitment and retention of health providers
A sustainable, efficient, accountable and quality health system	Healthy operations, working within the limits of available resources and improving efficiency and accountability for the use of those resources
	Innovation and integration of service, education and research

Over time, these goals will serve as the guide to Saskatchewan Health and Regional Health Authority reporting on progress and results.

Authority Members

Back Row (left to right): Eric Braun, Saskatoon; Frank Quennell, Saskatoon; Marj Gammel, Saskatoon; Jim Fergusson, CEO; Audrey Ahenakew, Saskatoon; Les Alm, Allan; Kelly Block, Waldheim

Front Row (left to right): Bob Bundon, Chair, Saskatoon; Karen Raycroft, Wynyard; Darlene Eberle, Vice Chair, Humboldt; Carol Teichrob, Corman Park; Bonita Beatty, Saskatoon; Keith Thomson, Saskatoon

Central Plains Health Board (to July 31, 2002)

Carol Buhs
Darlene Eberle
Morris Hartman
Marge Headington
Wally Herman
Ruth Hiebert
Darrell Kolla
Margie Meckelborg
Marianne Pappenfoot

Living Sky Health Board (to July 31 2002)

Marg Berg
Marilyn Bodnar
Wayne Busch
Bernie Bishop
Ed Collins
Dan Kachur
Nora Longstaff
Gordon MacMurchy
Ron Miller
Karen Raycroft
Lyle Smith

Gabriel Springs Health Board (to July 31, 2002)

Kelly Block
Marlene Blatz
Elaine Kushneryk
Ken Landis-Funk
Valerie Matheson
Alphonsine Mike
Shirley Papish
Deborah Zacharias

Saskatoon District Health Board (to July 31, 2002)

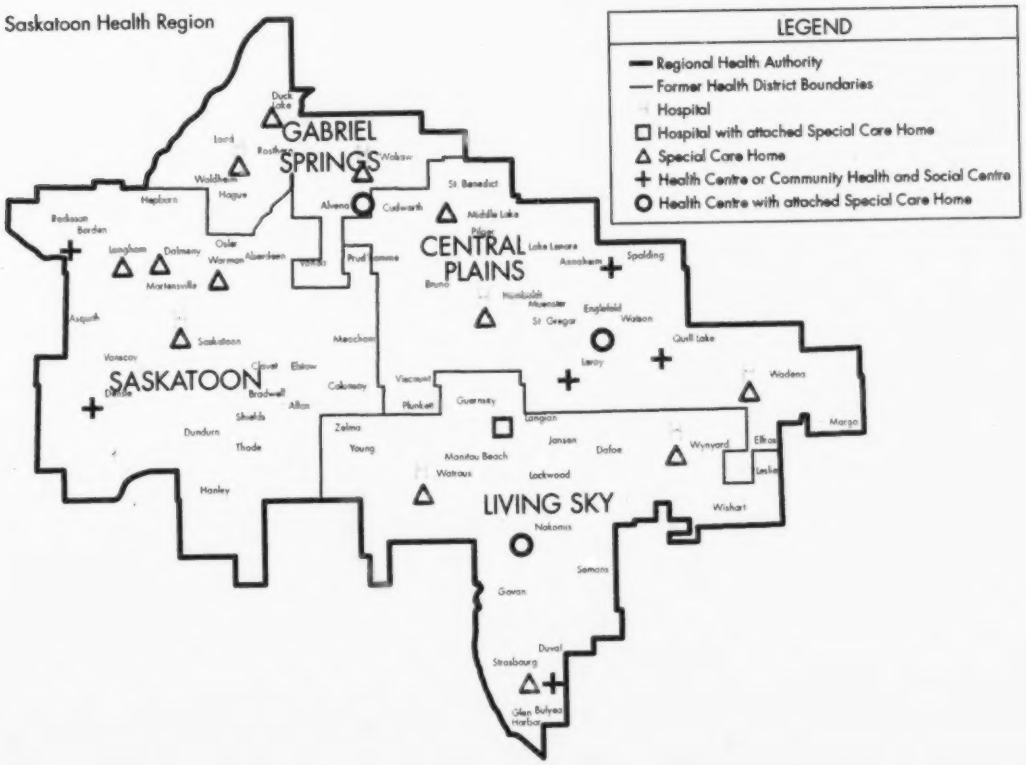
Les Alm
Joan Beatty
Ruth Black
Bob Bundon
Muriel Jarvis
Mil Kreger
Marie Lidgett
Carol Olson
Ray Purdie
Art Willock

GOVERNANCE

During the April 1, 2002, to July 31, 2002, period, the four Health Districts of Central Plains, Gabriel Springs, Living Sky and Saskatoon continued to operate under the direction of their governing Boards. Also during this period, a government appointed 12-member Planning Committee undertook transition work related to the merging of these four Health Districts. The Planning Committee became Regional Health Authority #6, responsible for the governance of Health Region #6 effective August 1, 2002. Shortly thereafter, the Saskatoon name, which had been chosen by the Regional Health Authority, was approved by the Province, resulting in the change to Saskatoon Regional Health Authority and the Saskatoon Health Region.

The transition from the four previous Health Districts to the Saskatoon Health Region took place over several months, and included a substantial effort by the Planning Committee appointed by the Minister of Health, which supported a Regional Transition Committee consisting of the Chief Executive Officers of the four Health Districts.

The role and responsibilities of the Saskatoon Regional Health Authority are defined in *The Regional Health Services Act*, and include the planning, organization, delivery and evaluation of health services – consistent with the strategic direction of the health care system in Saskatchewan as established by the Minister of Health, and within the limits of administrative powers outlined in legislation and regulations.



The operation of the Saskatoon Regional Health Authority is supported by four committees: the Executive Committee, the Audit Committee, the Finance Committee, and the Human Resources Committee. Each of these entities includes three or more members of the Authority and has terms of reference defined in Authority policy.

The Saskatoon Regional Health Authority has affiliate and contractual relationships for the delivery of health care services and programs with many acute care, long term care and community-based organizations. Included in these relationships is the integrated shared services management structure between the Health Region and St. Paul's Hospital that was implemented between the Hospital and the former Saskatoon Health District in 1995.

Central to the governing style of the Saskatoon Regional Health Authority is a commitment to interdependence, which recognizes the power and value of working together in an interdependent fashion. The Authority will establish interdependent working relationships with its affiliates and other partners, and will apply the interdependent approach in developing and enhancing relationships with the Province and Saskatchewan Health, urban and rural municipalities, other government partners (Community Resources & Employment, Justice, Learning, etc.), special interest groups, and Community Advisory Networks.

The Community Advisory Networks, currently being established and consistent with *The Regional Health Services Act*, will advise the Authority on broad issues related to the health of the community and assist the Authority in understanding the needs, preferences and priorities of people and communities. As of March 31, 2003, the Authority was reviewing nominations from people who had expressed interest in participating in the Community Advisory Networks.

ORGANIZATION

The administrative structure of the Saskatoon Health Region is outlined in the following organizational chart. The administration of the Health Region is provided by one regional structure that replaces the four health district administration structures.

Members of the senior leadership group have portfolios of responsibilities that include a broad and complex array of programs and services. The management and support functions are structured to ensure effective planning, integration and delivery of health services across the region in the facilities and community-based locations. The organization includes a distinct rural health portfolio to focus dedicated attention to challenges inherent in the large geographic area of the Health Region.

The integration of programs and services from the four previous health districts was advanced during 2002-03, and focused initially on Human Resources and Support Services. The regional integration effort will continue into the next fiscal year.

The Health Region works closely with a number of affiliated agencies and other health care organizations in providing services and programs to residents of the Health Region and the province. An affiliate, as defined by *The Regional Health Services Act*, is an operator (other than the health region) of a hospital or a not-for-profit special care home. A health care organization, as defined by the Act, is an affiliate or a prescribed (in regulation) organization that receives funding from an RHA to provide health services. The Saskatoon Regional Health Authority has affiliate and funding relationships for the delivery of health care services and programs with several agencies, long term care facilities and community-based organizations.

The Saskatoon Regional Health Authority also has a unique partnership with the St. Paul's Hospital Board. Through the Shared Services Committee of the two boards, the St. Paul's Hospital Board is responsible for the governance and management of the following care groups and services: pre-hospital and emergency services, laboratory services, medical imaging and nuclear medicine services, palliative care services, renal services, food and nutrition services, pharmaceutical services and spiritual care services. All other care groups and resource services are managed by the Health Region and provided to St. Paul's Hospital within the framework of the joint service management agreement.

Dr. Ronan Conlon, ophthalmologist, discusses eye surgery with a patient at Saskatoon City Hospital

Major Initiatives, Accomplishments and Results

Health care is a shared responsibility among individuals, health care workers, government, and other agencies. Saskatoon Health Region has developed partnerships with almost 200 agencies, including St. Paul's Hospital and other affiliated health care agencies, the business community, and educational institutions, such as the University of Saskatchewan, SIAST and Gabriel Dumont Institute, to advance initiatives that contribute to health and well-being in our community.

Saskatoon Health Region undertook a number of major initiatives and programs related to the five goals of the organization during 2002-03. During this year of transition, the Health Region continued to work with Saskatchewan Health regarding applicable measures to monitor performance. In this section, progress and results are reported based on information that is currently available.

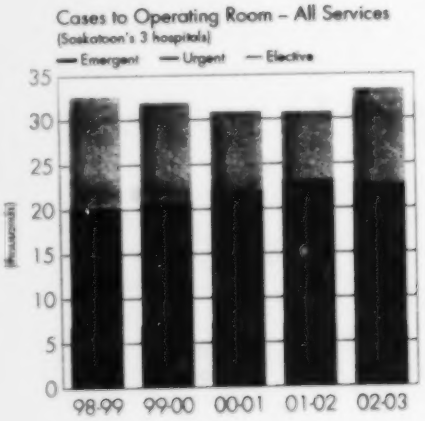
Enhancing Access to Quality Health Services

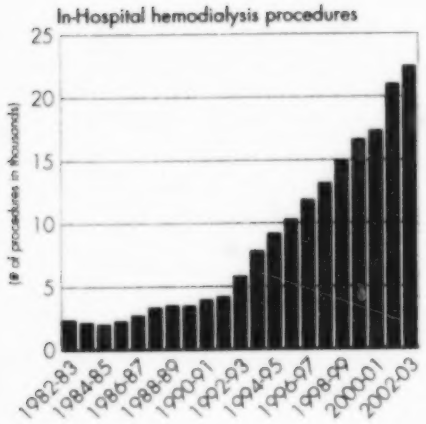
The Health Region, in announcing its 2002-03 operating budget, committed that it would continue providing most services at the same level as in the previous year, given its human and fiscal resources. Projected and unexpected volume increases and any new or enhanced services and programs were dealt with in a collaborative manner with Saskatchewan Health. The following is a list of selected initiatives that highlight some of the efforts being taken to enhance access to services, the number of people services were provided to and the units of services provided to our patients, clients and residents.

Addressing the wait list for surgery

INITIATIVE: In keeping with the direction established in the government's action plan for health care, the Health Region, supported by Saskatchewan Health, implemented a comprehensive surgical wait list reduction strategy, including the hiring of a surgical care coordinator and involvement in the Saskatchewan Surgical Care Network.

RESULT: Saskatoon's three hospitals performed 33,298 surgical procedures in 2002-03, an increase of 2,544 compared to the previous year. At the end of March 2003, 16,411 people were waiting for surgery compared to 19,075 at the end of March 2002. There was also a reduction in overall wait times for elective surgeries. On average, patients classified as elective cases waited 9.2 months from the time their surgery was booked until the time the procedure was performed, compared to an average of 13 months at the end of March 2002. Overall, the 10 hospitals in the Health Region performed almost 35,000 surgeries.





Addressing the increasing demand for renal dialysis services

INITIATIVE: Progress continued on the creation of the Centre of Excellence in Nephrology (kidney) Services at St. Paul's Hospital. Also, the Health Region, in partnership with St. Paul's Hospital, continues to be an active partner in the review of renal services in the province and in addressing ways to meet the increasing need for the service by residents of the Health Region and the province.

RESULT: The first stage of the Centre of Excellence, the Medical Observation Unit, was completed in 2002 at St. Paul's Hospital. Also, a new education and prevention Chronic Renal Insufficiency Clinic was established at the hospital. Working with Saskatchewan Health, various options are being explored regarding establishing more satellite sites for the delivery of services. The Health Region, in partnership with St. Paul's Hospital, continued to provide renal services to an increasing number of people. In the last five years, the number of hemodialysis procedures conducted increased from 15,038 in 1998-99 to 22,430 in 2002-03.

Coordinating patient/client access to services

INITIATIVE: The Health Region completed the implementation of Client Patient Access Services (CPAS) in 2002. The function of CPAS is to facilitate access to a variety of services within the Health Region. Patient Care Supervisors collaborate with other hospital staff to ensure admission for those individuals who require acute care services. Client Care Coordinators work both in the hospital setting and in the community, providing access to Community and Long Term Care Services to support independence in the community, and a smooth and safe transition from hospital to home. CPAS provides a Quick Response Program in the Emergency Departments of Saskatoon's three hospitals for those individuals who do not require hospital admission but require some service to return home safely.

RESULT: Patient care supervisors facilitated discharges from hospital to home for 4,350 patients within the Health Region, facilitated discharges back to home elsewhere in the province for 2,436 patients, provided 1,005 "quick response" consultations in Saskatoon's emergency departments, and facilitated admissions for 599 clients to special care homes. CPAS also carries an active community case load of 4,000 clients per month, providing support to maintain independence of clients in their own homes.

Jocelyn Crossman, dialysis unit nurse, helps a patient with his hemodialysis at St. Paul's Hospital

Providing continuing services to rural residents

INITIATIVE: To ensure a smooth transition of the service provided by the previous three health districts into the operations of the new Health Region.

RESULT: Sufficient funding was made available to provide services at levels similar to previous years and the continued operation of seven hospitals, 13 long term care facilities, and numerous community health and wellne s centres.

Working together to address a needed community-based service

INITIATIVE: Taking a lead role in the creation of an emergency short-stay detox centre for the community.

RESULT: Meetings have been held with representatives from the Health Region, local, provincial, federal governments, Larson House, First Nations and other community groups to produce a capital construction and programming strategy for a new short-stay detox centre, with a formal announcement about the project expected by summer 2003.

Primary health care model under development

INITIATIVE: Consistent with the Action Plan for Saskatchewan Health care, development of a primary health care model for the Health Region was undertaken during the year. The Primary Health Care Strategic Plan for the Health Region will be completed in the upcoming year, with implementation of the plan expected to take place over the next four years. The primary health care approach is directed to offering high quality health services as close to home as possible, at the most appropriate time, provided by the most effective combination of health providers.

RESULT: The Health Region created five formal primary health care centres, which treated the following number of patients: South East Health Centre – Saskatoon (1,806), White Buffalo Youth Lodge – Saskatoon (390), Nutana Collegiate – Saskatoon (577), Borden (1,705) and Strasbourg (2,960). Three additional sites, the University of Saskatchewan Student Health Centre, Saskatoon Community Clinic and Wynyard Community Clinic, are expected to receive formal recognition as primary health care centres in 2003-04.

Working together to improve health care for the Aboriginal population

INITIATIVE: The Health Region acknowledges that the Aboriginal population is growing rapidly in our communities and that their health needs must be addressed in a more effective manner. Discussions continue with the Aboriginal community in identifying unmet needs and looking at ways to improve services for and the health of Aboriginal people.

RESULT: The Health Region is actively seeking participation from the Aboriginal population in its Community Advisory Networks. Discussions continue with the Aboriginal community regarding ongoing enhancements in the delivery of renal and diabetes care. The Health Region will take an active role in national and provincial diabetes working groups and Aboriginal women's health research.

Telehealth

INITIATIVE: To provide and improve access to health care and education to patients, health care professionals and communities across the province, through the use of video and computer technology.

RESULT: Saskatoon Health Region is the main service provider of Telehealth Saskatchewan activity – both clinical and educational. In 2002-03, Saskatoon Health Region provided clinical consultation to 217 residents in numerous communities across northern Saskatchewan. Specialist treated 10 patients from outside of the province via Telehealth services. During this period, Saskatoon Health Region hosted

Loretta Novecosky, public health nurse, conducts a child health clinic at Middle Lake

141 educational sessions, which were attended by 2,400 individuals (physicians, health care providers, public). A total of 958 individuals within Saskatoon Health Region were educated via Telehealth events.

Home Care changes improve efficiency and service

INITIATIVE: Home Care services within the former Saskatoon Health District implemented a major review to improve service to clients and address scheduling and high use of overtime/sick time by staff.

RESULT: As a result of the review, enhancements included improved consultation across health care disciplines to create an integrated and coordinated care plan for clients and scheduling that provided more consistency in staffing for each client. The impact on the client was increased continuity of care, consistent service providers, predictable visit times and decreased client complaints. For staff, the changes resulted in increased job security through the creation of more full time and part time positions, more stable hours of work with a consistent client caseload, a more manageable workload for scheduling staffing, and increased staff education. There was a 40% decrease in overtime.

INITIATIVE: Implementation of a standard wound care protocol for clients by home care nurses in the former Gabriel Springs and Central Plains health districts.

RESULT: A standardized and consistent approach to wound care management has resulted in improved quality of care for the client, shortened periods of care due to the improved healing of wounds and cost efficiencies gained in the standardization of wound supplies.

Long Term Care services

INITIATIVE: To monitor trends in long term care utilization and wait list activities for future planning purposes.

RESULT: There are 29 long term care facilities with a total of 2,100 beds throughout the Health Region. The 16 long term care facilities in the former Saskatoon Health District operate 1,500 beds and the 13 long term care facilities in the former three rural health districts operate another 600 beds. For the Health Region as a whole, the long term care wait list continued its downward trend with 76 people waiting for placement as of March 31, 2003, compared to 207 at the end of fiscal year 1998-99. In the former Saskatoon Health District, the wait list was 27 people with 599 admissions to long term care beds during the year, an increase of 30% from the previous year.

INITIATIVE: Enhancing quality of life and quality of care for long term care residents continues to be a central focus through the development and measurement of specific quality indicators.

RESULT: Indicators and measurements have been completed in the areas of medication use, decubitus ulcers, catheters and restraints, and will result in enhanced monitoring during the upcoming year.

A local student takes time to visit with a resident of the Health Centre in Nokomis

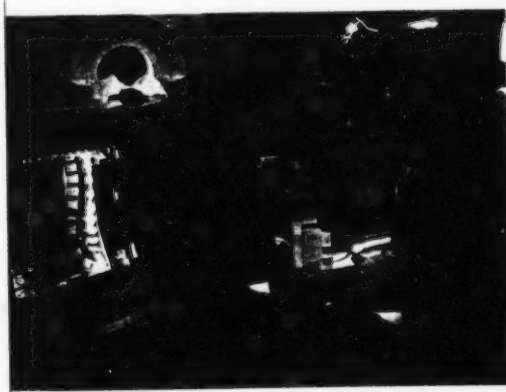
Utilization of specific services in 2002-03

The following numbers are for services provided throughout the entire Health Region, categorized according to the former health districts, except where noted, with the previous year's number in brackets, if available. In some of the cases listed, the Health Region's ability to achieve same levels of service compared to previous years was affected by the month long strike by The Health Services Association of Saskatchewan (HSAS) in 2002.

	Central Plains	Gabriel Springs	Living Sky	Saskatoon	Saskatoon Health Region
Total patient stay days	12,684 (12,684)	8,125 (7,851)	5,505 (5,720)	223,427 (230,353)	249,741 (257,222)
Newborn admissions	118 (114)	31 (41)	1 (0)	3,832 (3,971)	3,982 (4,126)
Inpatient and day surgeries	1,587 (1,329)	18 (15)	0 (0)	33,298 (30,754)	34,903 (32,098)
Emergency room visits	15,735 (12,409)	12,377 (11,223)	8,192 (8,087)	106,425 (108,954)	142,729 (140,673)
Ambulance calls (life support & inter-facility transfers)	1,244	664	945	18,345 (18,276)	21,198
Home care – nursing – hours of service	7,125 (7,470.25)	2,672 (3,009)	10,512.11 (10,403.88)	74,883 (77,658)	95,192.11 (98,541.13)
Home care – meals	17,359 (17,558)	13,276 (9,871)	17,335 (16,205)	50,927 (53,749)	98,897 (97,383)
Home care – home services – hours of service	43,285.50 (44,536.75)	8,894.00 (15,034.50)	41,376.58 (41,789.42)	220,112.75 (218,359.25)	313,668.83 (319,719.92)
Long term care wait list (as of March 31)	13 (2)	8 (10)	28 (18)	27 (36)	76 (66)
Immunizations (all types)	6,417 (6,456)	2,806 (2,735)	3,880 (2,260)	55,580 (54,318)	68,683 (65,769)

The following are some additional utilization numbers, compared to previous year:

- Diagnostic imaging CT scans (Saskatoon) = 31,363 (29,645)
- Diagnostic imaging MRI scans (Saskatoon) = 8,509 (7,735)
- In-house laboratory procedures (Saskatoon) = 6,911,510 (6,694,777)
- Public health inspections (all types) = 2,096 (2,036)
- Addiction outpatient services (Saskatoon) number of clients = 2,925 (2,909)
- Calder Centre number of clients = 531 (510)
- Larson House number of clients = 924 (955)
- Community mental health services number of clients (Saskatoon) = 3,774 (3,747)
- Remote and northern residents accessing health providers via Telehealth services = 217 (232)



Alain Lalonde, MRI supervisor, and David Boryski, technologist, review the results of an MRI scan at Royal University Hospital

Healthy Communities Supported by Health Promotion and Disease Prevention

Responding to public health concerns

An increasing number of major public health incidents occurred in Canada in 2002-03, and indications are that this trend will continue. In the Saskatoon Health Region, a number of public health developments required significant and immediate attention.

INITIATIVE: The first confirmed case and consequent death from variant Creutzfeldt-Jakob Disease (vCJD) in Canada was reported in Saskatoon in August of 2002. Although the patient was diagnosed in Saskatoon, the patient most likely acquired the disease in the United Kingdom during the 1980s and 1990s.

RESULT: The Health Region worked closely with the initial patient and those who faced a very minimal risk of contracting the disease because of a piece of medical equipment used for endoscope cleaning for which there was difficulty in eliminating prions through the cleaning process. The Health Region collaborated with Health Canada and Saskatchewan Health to address this sensitive situation, which could have had far-reaching consequences for the patients, the food industry, the Canadian beef industry, and the credibility of the national health care system.

INITIATIVE: In March 2002, the Health Region addressed an issue involving a human error in the cleaning process of a surgical endoscope. Although the risk of disease transmission was theoretical and very small, the Health Region alerted the patients who had procedures performed in the known timeframe of the risk and these patients were tested.

RESULT: Of the test conducted, all results were negative. However, one patient continues to be tested as the risk in this case was slightly higher. Health Canada praised the Health Region for the handling of the situation, including efforts on risk and communication.

INITIATIVE: Also in March, the Health Region investigated and addressed a possible case of Severe Acute Respiratory Syndrome (SARS). The patient only partially met the nationally accepted criteria for suspicion of SARS. However, as a precaution, the Health Region took regular and increased infection control measures and identified and contacted individuals who had been in close contact with the patient. The patient did recover and the likelihood that the condition was SARS is minimal.

RESULT: The Health Region continues to participate in regional, provincial and national planning groups to prevent an outbreak of SARS in the Health Region, as well as conducting contingency planning in the event that an outbreak does occur.

INITIATIVE: Saskatoon Health Region is expecting increased activity in planning for protection on West Nile Virus (WNV) in the coming year.

RESULT: The Health Region continues to work with provincial planners to develop local plans, including mosquito control and surveillance, early warning systems, and public and physician education.

Chad Sletten, EMT with Rosthern Ambulance, conducts a child safety seat inspection in Rosthern

Keeping the Health Region In Motion

INITIATIVE: One of Canada's top public health concerns is physical inactivity. To deal with this issue, in 1999-2000 the previous Saskatoon District Health, in partnership with others, developed the *in motion* program. The goal of this health promotion strategy is to encourage children, youth, workplace employees and seniors to include physical activity in their daily routines.

RESULT: The number of residents that reported being active enough to receive health benefits increased from 36% in 2000 to 49% in 2002. More than 70 schools and 122 workplaces (involving 22,500 employees) are promoting the benefits of physical activity. The initiative's success led the Saskatchewan Government to publicly acknowledge the work of the Health Region and provide funding to implement a province-wide *in motion* program, with the goal of making Saskatchewan the healthiest, most physically active province in Canada by 2005.

The Health Show

INITIATIVE: The Health Show, a co-production of Saskatoon Health Region and local cable provider Shaw TV, began its second season in January. The show, an initiative in response to feedback on how the public wants to receive information about health services in their community, consists of 13 live half-hour episodes that brings local health professionals and residents together to highlight local health services and health issues.

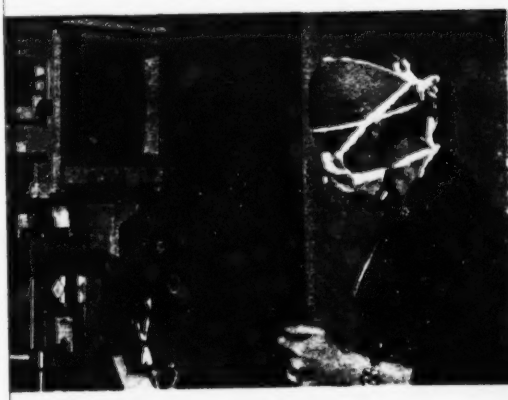
RESULT: More than 75 topics were covered involving more than 150 staff and community members. Public participation in the live call-in segment has been positive. The Health Show won three provincial awards for communications excellence in 2002-03.

Healthy Workplaces Supported by Measures including Recruitment and Retention of Health Providers

Recruiting and retaining health care workers

INITIATIVE: In 2002-03, recruitment and retention of health care workers was a priority, and the Health Region had considerable success, in part due to collaborative working relationships with other organizations. A primary example of this success is the joint work with the College of Medicine on recruitment of physicians, for the areas of anesthesiology, cardiology and family medicine. Also, additional physicians have been recruited to work in a number of rural communities. The Health Region has also been successful in recruiting nursing graduates trained in the province and has attacted a number of foreign nurses.

RESULT: As of March 31, 2003, more than 700 physicians and specialists, approximately 40% of all physicians in the province, worked in the Health Region. As a result of ongoing physician recruitment initiatives during the past few years, there are now 7% more physicians working in the Health Region compared to 1997. The number of registered nurses employed by the Health Region is about 2,700. Besides



Dr. Beatta Szkup, anesthesiologist, is just one of the many recent recruits to the Health Region

being able to retain a number of nursing graduates from various health sciences programs, the Health Region was also successful in attracting 34 nurses from New Zealand and Australia over the past year, one from the United Kingdom and four from the United States.

INITIATIVE: The Health Region continued efforts to recruit general physicians for vacant positions throughout rural communities.

RESULT: The Health Region successfully recruited four physicians for the communities of Lanigan, Watrous and Humboldt. The total complement of physicians in the rural area of the Health Region is 32, comprising 31 general physicians and one general surgeon.

INITIATIVE: Tuition reimbursement and professional development funds are in place to support employee upgrading for programs required as a qualification for jobs in the Health Region. Funds are also in place to increase opportunities for employees to participate in conferences, conventions and seminars.

RESULT: 121 employees have benefited from the tuition reimbursement fund of between $500 and $1000 annually. Several hundred employees have participated in professional development opportunities.

Reducing injuries in the workplace

INITIATIVE: The Health Region committed resources to decrease the number of staff injuries related to transfers, lifts and repositions of patients, clients and objects. A comprehensive "Transferring, Lifting and Repositioning (TLR)" training program that includes personal health issues as well as proper TLR techniques was implemented in certain sites in the Health Region this year and will be expanded throughout the entire region in the coming year. The goal of the program is to decrease the number of injuries suffered by the Health Region staff in the movement of patients.

RESULT: Preliminary results at Parkridge Centre and Saskatoon City Hospital are encouraging. The TLR incidents at Parkridge for the first quarter of 2003 were down about 50% from the last quarter in 2002. In the units at City Hospital that have had the training, the number of incidents is holding steady over the past few months, with the total number of incidents in 2002 being half that of 2001. Over 50% of care staff at Parkridge Centre and 40% of care staff at City Hospital have received the eight-hour training program. The majority of staff in the rural communities were trained prior to the formation of the Health Region. Besides the new training program, the Health Region has also invested $100,000 in TLR equipment.

Representative workforce initiatives

INITIATIVE: A number of initiatives are under way to address representative workforce issues. The Health Region has partnered with Dumont Technical Institute and Metis Employment & Education Training Institute in the area of a work preparation program. "Aboriginal Connections to Health Careers" is geared at ensuring Aboriginal students are prepared for an entry-level career in health. The Health Region also identified a

Kay Smith, food and nutrition worker, shares a moment with local students during a work shadowing day at the Health Centre in Nokomis

labour market need for a licensed practical nurse program in Saskatoon. In April 2003, Dumont Technical Institute, in partnership with the Health Region, will commence the first intake of the LPN program in Saskatoon. The Health Region is providing the clinical experiences and some of the physical space, with DTI providing the instruction. Another initiative is a cultural awareness training program for employees. It focuses on the many issues facing Aboriginal people who are not living on reserve; learning about First Nation and Metis traditional cultures; and a historical overview about the many contributions of First Nations, Metis and other indigenous peoples.

RESULT: It is estimated that the number of people of Aboriginal ancestry working for the Health Region is about 3% of total workforce. The above initiatives will be monitored in the coming year to see the impact they may be making on hiring of people of Aboriginal ancestry.

Healthy Operations, Working Within the Limits of Available Resources and Improving Efficiency and Accountability for the Use of Those Resources

Guiding and implementing the transition from four health districts to one health region

INITIATIVE: The transition from four Health Districts to one Health Region added another layer of complexity and change to an already challenging environment.

RESULT: The team effort and commitment to leadership and follow-through was successful, and the result was the continuity and stability of services.

Managing the provision of quality health care services within available resources

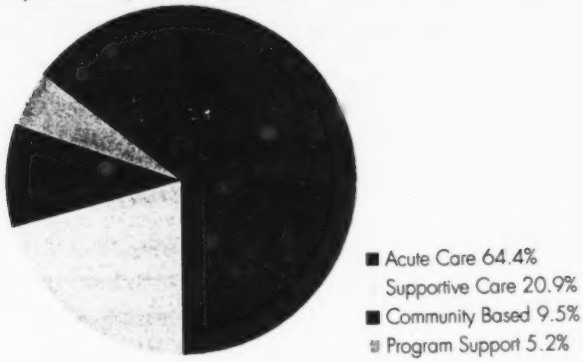
INITIATIVE: The Health Region fulfilled its commitment in the area of healthy operations, working within the limits of available resources and improving efficiency and accountability for the use of those resources. In 2002-03, the Health Region continued to fulfill a leadership role in contributing to an overall sustainable, efficient, accountable and quality health system for the province.

RESULT: The Health Region ended the 2002-03 fiscal year with a surplus of $769,000 compared to a deficit of $6.7 million in 2001-02. The year-end surplus was achieved through a strong management effort and a number of positive year-end developments on the revenue side. The implementation of recommendations from a number of reviews and other quality improvement measures also advanced the health of the Health Region's operations.

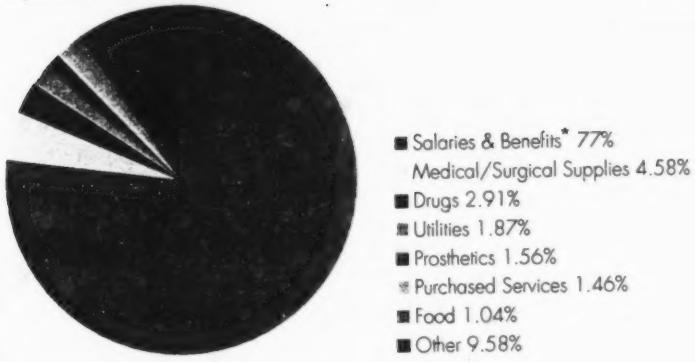
photo supplied by F.I.I

Sharon Kingston, occupational therapist, and OT student assess hand function at Saskatoon City Hospital

Expenditures by Service Groupings



Expenditures by Category



(* Includes grants to third parties and medical remuneration and benefits)

Audrey Laliberte and Ethel Holick, environmental services staff, performing housekeeping duties at St. Paul's Hospital

Ensuring continuity of service during the HSAS strike

INITIATIVE: During 2002-03, the Health Region implemented its job action contingency planning process following the impasse in contract talks between the Saskatchewan Association of Health Organizations (SAHO) and the Health Sciences Association of Saskatchewan (HSAS).

RESULT: The ensuing month-long strike resulted in hundreds of complex surgeries and thousands of community-based assessments, treatments and inspections being cancelled or postponed. Despite postponement of the complex surgeries, the Health Region continued to perform emergency, cancer and day surgeries. With the ongoing support of HSAS in the provision of essential services and the efforts of physicians, other health care providers and management staff, the Health Region was able to provide care.

Contributing to Western Canada health region teamwork

INITIATIVE: Saskatoon Health Region and six of the other largest health regions in Western Canada have teamed up to develop an integrated Electronic Health Record (EHR) that standardizes the way patient health information is collected, stored, secured and accessed by health care providers in the participating health regions. The seven health regions are also continuing discussions on other initiatives they might be able to collaborate on, including such things as health education and research, and bulk purchasing of equipment and supplies.

RESULT: The EHR initiative, which ensures patient confidentiality, will give health care providers secure, timely and appropriate access to reliable, accurate patient information, such as drug histories and test results. This information will be accessible by health care providers regardless of where the patient is seen – whether in the community or in hospital, and from one health region to the next.

INITIATIVE: The Health Region continues to take a leadership role in the Western Canada Waiting List (WCWL) project, a consortium of provincial medical associations, regional health authorities, the western provincial governments, and four health research centres.

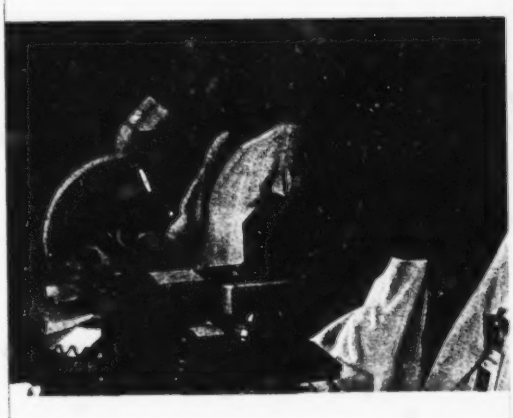
RESULT: The project is examining ways to assist in the management of waiting lists for elective treatments and procedures in cataract surgery, children's mental health services, general surgery, hip and knee replacement, and MRI scanning. Saskatoon is hosting the Cataract Surgery Panel, which has developed standardized criteria and a process for determining the order in which patients requiring cataract surgery should receive the service.

Innovation and Integration of Service, Education and Research

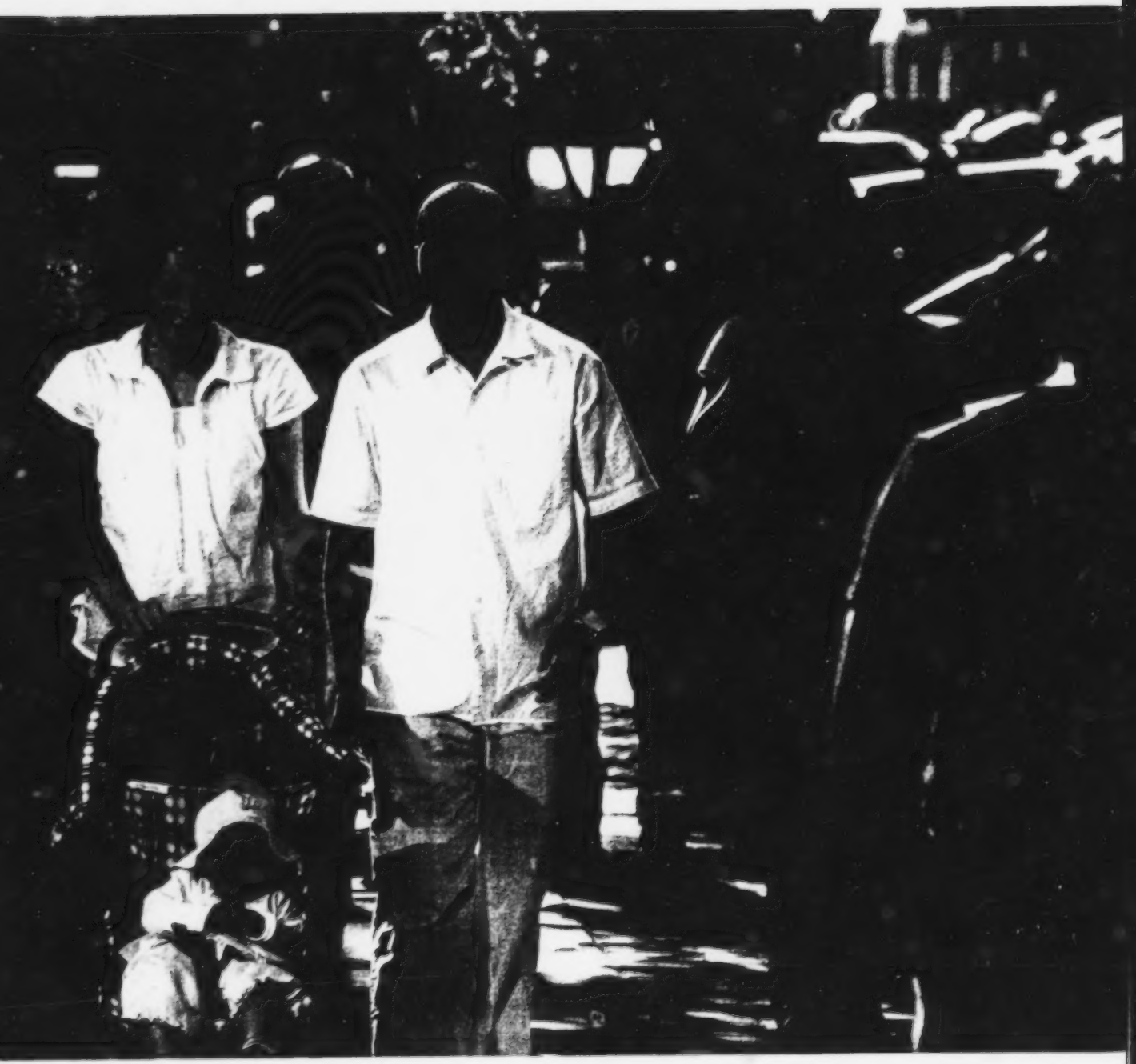
Saskatchewan Academic Health Sciences Network

INITIATIVE: The Saskatchewan Academic Health Sciences Network was formed to create a collaborative environment among the key partner organizations in the province that are involved with health sciences education, research and service. The governance of the Network includes a Board with representation from the University of Saskatchewan, Saskatoon Health Region, Regina Qu'Appelle Health Region, other Health Regions, Saskatchewan Health and Saskatchewan Learning.

RESULT: In 2002-03, the Saskatoon Health Region worked closely with other Network members to define a number of priorities, such as: physician resource planning, involvement of community based faculty, single headships, alternative funding plans, residency training, primary health care and Telehealth capacity. The Health Region also contributed to the action plan to address accreditation issues in the College of Medicine.



Dr. Joseph Blondeau, clinical microbiologist, and Holly Farski, lab technologist, provide services within the clinical, teaching and research environment supported by the Health Region and the Saskatchewan Academic Health Sciences Network



Saskatoon Health Region population will continue to grow in the coming years

Regional Environmental Scan

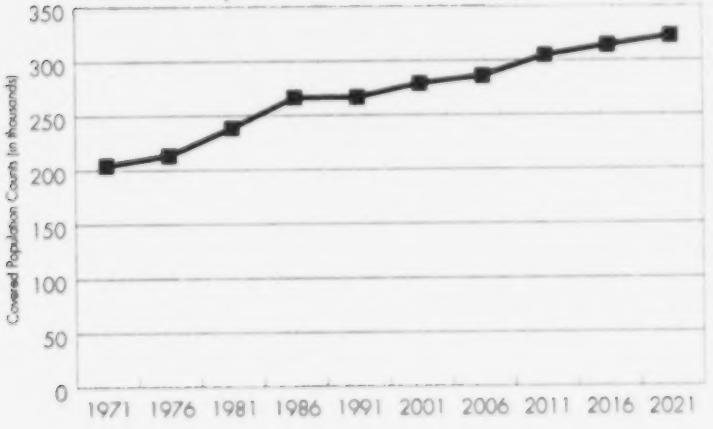
Saskatoon Health Region is currently working on an update of the 2000 health status report of Saskatoon District Health. The full health status report will be available in 2004 and will include new information from the 2001 census and the Canadian Community Health Survey analysis.

Since population health indicators do not tend to change quickly, many of the Region's health issues are unchanged from those presented in the previous Districts' Health Status reports and needs assessment documents. The Health Region is in the process of amalgamating data to provide a regional perspective, as well as to present data in a variety of formats to show where needs and issues are different in various parts of the region. What follows are some of the broad level analyses we have done in the region on health status and population health.

Population

The following graph depicts the population growth of the Health Region from 1971 to the present, along with a projection, based on the current trend. It is expected that the population of the Health Region will continue to grow at its current rate in the immediate future.

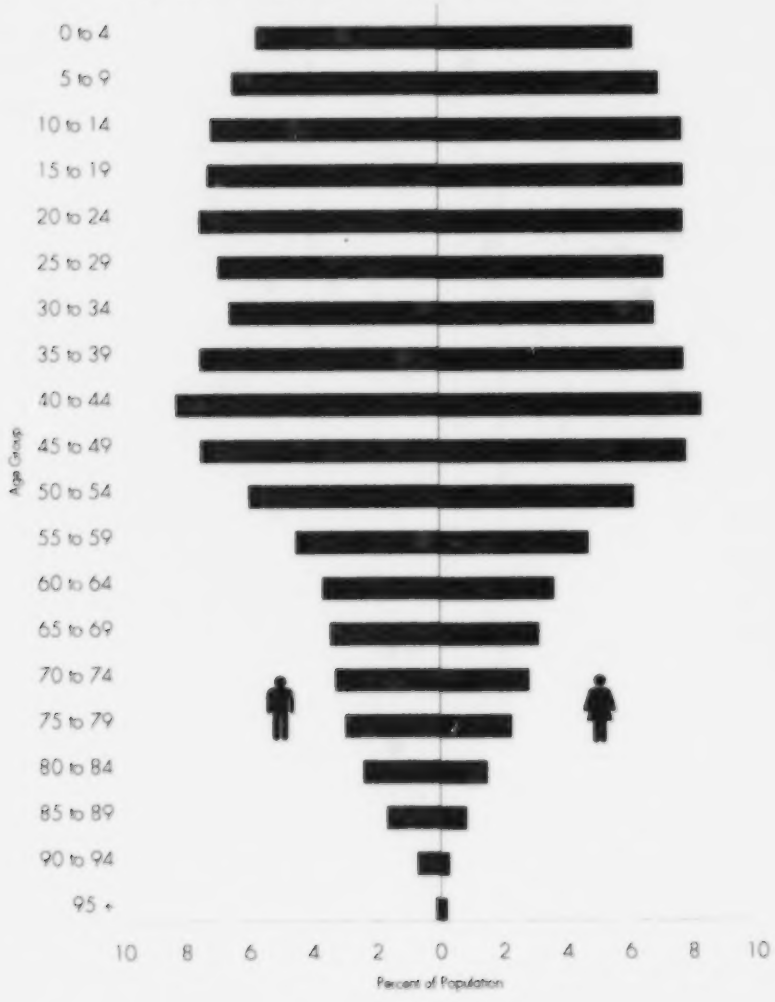
Total Population of Saskatoon Health Region, Historical and Projected 1971-2021



As the population pyramid shows, the Health Region has a fairly typically shaped pattern, compared to other regions or compared to Canada, with the bulge of the baby-boomers dominating the picture, and a secondary bulge representing their children.

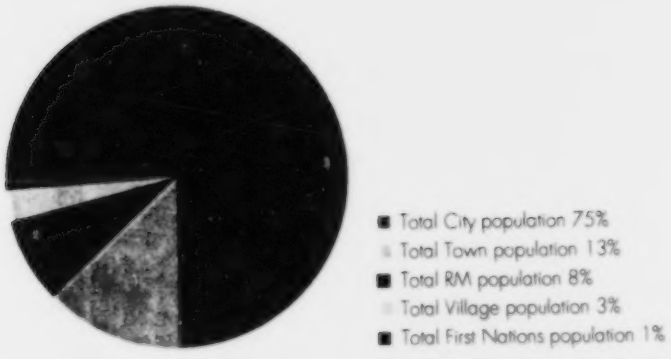
2002 Saskatoon Health Region Population Percent of Population by Sex and Age Group

Source: Saskatchewan Health Covered Population 2002



2002 Covered Population Counts and Percentages for Saskatoon Health Region by Community Type, Both Genders Combined

The population is distributed as seen in the following chart, with 75% living in cities, 13% in towns, 8% in rural municipalities, 3% in villages, and 1 % on First Nation reserves.


Total City population 75%
Total Town population 13%
Total RM population 8%
Total Village population 3%
Total First Nations population 1%

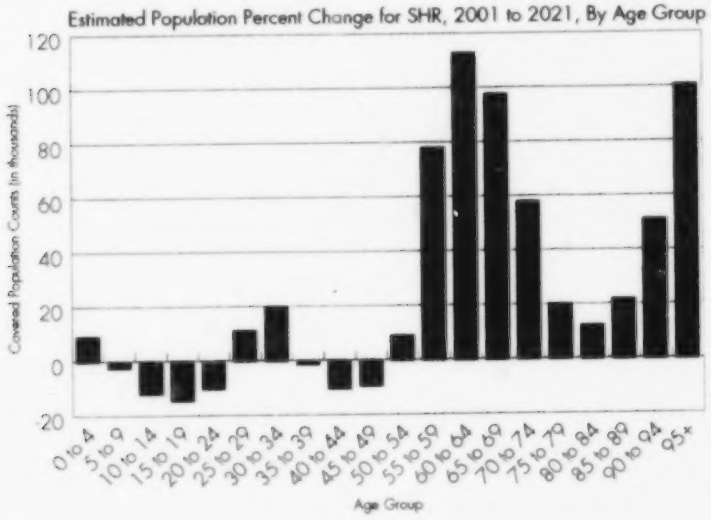
Source: Saskatchewan Health Covered population

Saskatoon Health Region Percent Covered Population, By Age Group And Former Health Districts, 2002

Age Group	Central Plains	Gabriel Springs	Living Sky	Saskatoon	Saskatoon Health Region
0 to 19	5,334	3,834	3,115	67,177	79,461
20 to 64	10,784	6,196	7,289	146,536	170,804
65 to 74	2,010	919	1,240	14,161	18,330
85+	714	352	472	4,028	5,567
Total	**20,396**	**11,980**	**13,225**	**241,837**	**287,439**

Source: Saskatchewan Health Covered Population, 2002

The estimated population percent change between now and the year 2021 is shown below. If current growth patterns continue, and the aging of the population and death rates continue their current course, these are the percentage increases we will see in the various age groups. While all age groups show growth, the most significant increase is anticipated for the 55+ group.



Saskatoon Health Region does not differ significantly from Canadian averages on indicators of post-graduate and high school graduates, low income incidence or children in low income families. The Health Region is significantly better than the Canadian average in unemployment rates, youth unemployment and housing affordability.

Saskatoon Health Region has rates of lone parent families similar to the Canadian rate, income inequality rates similar to the provincial rate, and sits between the Canadian and provincial rates in the proportion of owner-occupied dwellings, the average dwelling value and average personal income.

Fay Shiloff, public health nurse, explains the respiratory system to students at Lanigan School

Morbidity and Mortality

The leading causes of death and hospitalization in the Health Region are listed on the following page. While the pattern of leading causes is similar to that seen in the province as a whole, and to those in Canada overall, the rates have generally been lower than the provincial rates and the national rates, and tend to be among the lowest of any region in Canada in many cases.

Leading Causes of Death Per 100,000 Population, Saskatoon Health Region, 2001

Major Categories	
Heart Disease	598
Cancer	371
Respiratory Disease	115
Sub-Categories	
Coronary Artery Disease	299
Cancers of the Digestive System	133
Stroke	130

Leading Causes of Hospitalization Per 100,000 Population, Saskatoon Health Region, 2001

Major Categories	
External Causes of Injury and Poisoning	1,451
Heart Disease	1,226
Digestive System Disease	1,151
Sub-Categories	
Coronary Artery Disease	422
Accidental	308
Pneumonia and Influenza	239

Life Expectancy

Saskatoon Health Region life expectancy at birth is 78.9 years – significantly better than the national and provincial life expectancy of 78.3 years. The Health Region life expectancy is 76.0 years for males and 81.8 years for females, compared to the Canadian rates of 75.4 for males and 81.2 for females.

Selected Health Behaviours

Physical Activity and Obesity

A greater proportion of the Health Region residents 20 – 64 years of age are physically active (24.4%) than the provincial (22.6%) or national (21%) averages. This is in contrast to rates of high Body Mass Index (BMI), used to measure obesity and overweight in 20 – 64 year olds. Saskatoon Health Region has a higher proportion of people reporting BMI measures indicative of obesity (38.6%) compared to the national average (31.9%). The Health Region also reports a smaller rate of underweight (5.6%) compared to the national rate (8.1%); the rates of acceptable weight are 39.7% in the Health Region compared to 42.9% in Canada overall.

Ellen Shatilla, public health nurse, explains the dangers of smoking to Saskatoon school children

Smoking

The Health Region residents 12 and over have a similar daily tobacco consumption rate to that of Canada (21.5%), but lower than the provincial rate of 23.3%. However, the Health Region has more women smoking compared to men (22.7% vs. 20.2%), whereas the national percentages are 23.5% for men and 19.4% for women.

Alcohol Consumption

There is a high percentage (26%) of residents in the Health Region, age 12 and over, who report drinking five or more alcoholic drinks on one occasion. Nationally, 23.3% report these consumption levels. Further, 23.3% of Health Region residents consume these amount of alcohol 12 or more times per year, compared to 20.1% nationally.

Emerging Diseases and Issues

Recent events have highlighted the fact the health care system has challenges when hit with unexpected emerging issues and illnesses. During the year, the Health Region dealt with Canada's first case of New Variant CJD, one suspect case of SARS, and West Nile Virus (WNV) in animals. In the coming year, the Health Region expects to deal with the first human cases of WNV in this province. It is still unclear if SARS will become an ongoing health threat worldwide. We are preparing for increased activity in water quality monitoring, *Tobacco Act* enforcement, and increased responses to new pathogens in Public Health.

Injury Prevention

Saskatchewan and the Health Region continue to exhibit high injury rates relative to other provinces. 10.4% of the Health Region residents 12 years and older had an injury in 2001 and sought medical attention for it (compared to 8.6% nationally, and 10.4% provincially). 5.3% of the Health Region residents 12 years old and over had an injury in 2001 but did not seek medical attention for it, compared to 4.8% nationally and 5.3% provincially.

The age-standardized hospitalization rate for injuries (per 100,000 population) in 2002 was 670 for the Health Region, 879 for Saskatchewan, 781 for Regina, and 557 for Edmonton.

School children and parents participate in a bike safety course in Rosthern.

Saskatoon Health Region Resources and Risks

Saskatoon Health Region's human resources represent the most significant component of the organization's operations. Workforce retention and recruitment is one of the top priorities in ensuring a diverse, healthy workplace. A number of factors affect our workforce potential: the number of students graduating from our post secondary educational institutions; the age of our workplace, where the average age of all employees is 42.55 years (and the average age of registered nurses is 43.06 years); and the changing skill mix of staff. The Health Region is committed to an integrated approach to attain and retain the required human resources and to ensure we are providing a healthy workplace for staff and quality service to our clients.

Saskatoon Health Region faces major challenges in maintaining and enhancing its aging infrastructure, including hospitals, special care homes, medical and support equipment. After years of reducing expenditure on maintenance and renewal of the asset base, the detrimental effects are now evident. In this year, work commenced on an infrastructure renewal strategy that will incorporate the basic principles of asset management.

Sharon Crippen, nurse, with mom and newborn at Royal University Hospital

Challenges and Future Directions

As shown in the environmental scan, the Health Region is one of only two regions experiencing sustained population growth in the province. Since the population is growing, the Health Region continues to experience volume increases in all areas, despite stable or often falling rates of specific diseases.

Increased population plus the increased range of services available couple to produce increases in the demand for diagnostic services, pharmaceuticals and surgery. Also contributing to increased volumes is the aging population. It is anticipated that this will continue to increase volumes despite the slowly decreasing or stable rates of many chronic diseases.

The Health Region's ongoing ability to provide timely access to services continues to be a major challenge given the fiscal reality of the province and the national and global competition for both new and experienced health care providers.

Much work has been done on monitoring and reporting, and quality is a priority focus for the organization. In 2002-03, the Health Region started working with the Health Quality Council to put a quality framework in place.

With the formation of the new health regions this year, the Health Region has done some restructuring and realignment of services and supports. Included in this realignment is the development of a Chronic Disease Management portfolio. A number of projects are being undertaken in this area, and an overall chronic disease management framework and strategy will be developed.

A variety of means are being used to assess the Health Region's needs and health status. The Health Region is working on a 2004 health status report and Chief Medical Health Officer reports on tobacco, diabetes and infant mortality rates. Also, the Health Region is developing an intersectoral Comprehensive Community Information System to share data for policy making and planning between sectors.

With recent advances in health reform, there has been an increase in the demand for health information for better planning and policy-making. These increased requests are from within the Health Region and from external funders and stakeholders.

In collaboration with the University of Saskatchewan and Saskatchewan Institute of Applied Science and Technology, the Health Region provides an academic health teaching and working environment for health sciences students. The cost of fulfilling this special role is substantial, and involves an estimated 15-18% in additional operating expenditures to provide health services when teaching is involved.

Management Discussion and Analysis

The Health Region faces distinct challenges in fulfilling its mandate to plan, manage and deliver integrated health care services to meet the needs of people within the region and within Saskatchewan, and to do so while incorporating the added complexity and cost of a health sciences teaching and research environment.

In the 2002-03 year, the transition from four Health Districts to one Health Region required significant management attention, but the overriding management work was to ensure the effective continuity in delivery of required health care services, education and research.

Transition to the Health Region

The transition from the four health districts to the Health Region was founded on a cumulative approach for the initial period of operation. The previous Central Plains, Gabriel Springs and Living Sky Health Districts had six-month budgets approved by Saskatchewan Health for the 2002-03 year, and the decision was made to extend the six months of funding to 12 months based on essentially the same programming assumptions. Saskatoon District Health had a full-year budget approved and it was implemented as originally planned.

Re-allocation of capital and operating resources from one Health District budget to another was minimal during the year. The focus was instead on stability and continuity of service, while planning for the future of one larger organization.

Meeting Commitments and Financial Obligations

The Health Region faced considerable challenges in meeting its commitments in 2002-03, but was able to succeed due to a number of one-time revenue increases or cost reductions that were not anticipated in budget planning that totalled more than $3 million. This total included:

- Reduced operating costs associated with the HSAS strike
- An initiative to ensure that patient visits are appropriately identified as the result of work-related injuries led to additional revenue being received from the Workers Compensation Board for the two previous years
- Adjustments for three years of outstanding increases in interprovincial charges related to patients from out-of-province.

Collectively, these one-time changes helped the Health Region to balance its budget for the 2002-03 year without making substantial service reductions.

Variances from Plan

The major variances between the plan and the results for the 2002-03 year related to volumes of service. In the area of surgery, due to the provincial direction mid-year on increases in volumes in order to help address surgery wait lists, the Health Region performed approximately 3,000 additional surgeries.

The impact of the HSAS strike was also a variance from the plan for the year, with the overall financial impact being a reduction in costs. The operational impact was most profoundly felt in the area of surgery, where the shift to increase day surgeries offset the reduction in surgeries requiring a longer stay. The labour dispute also had an impact on many people, including those who required therapy in the community and speech-language assessments and treatment.

Capital Construction Impact

The Health Region undertook a major expansion through the construction of a parking facility at Royal University Hospital (RUH). This project addressed a critical need for parking for patients, visitors and staff at the RUH site, including more than 850 staff awaiting parking access. This issue had become a significant recruitment and retention issue for staff, and a major annoyance and inconvenience for patients and visitors served at RUH.

Capital construction projects, which required addressing occupational health and safety issues of the staff, were undertaken this year. These projects improved air quality, space demands, ergonomics and staff safety. They occurred throughout the Region's facilities.

A number of construction projects were undertaken to improve the Region's operations, including the preparation of a central food production area for the hospitals, installation of new and large pieces of medical imaging equipment-CT Scan and fluoroscopy units, and the development of isolation rooms.

Major Risks and Implications

Saskatoon Health Region faces the same risks that other health care providers face in the areas of capital needs, volume pressures, and cost increases for pharmaceuticals and for medical and surgical prosthetics.

A key issue regarding capital needs is the continuing inability to make required changes at Royal University Hospital in the areas of emergency, operating rooms, the intensive care unit, and the critical care unit. This has an impact on operating costs throughout the system, as efforts are made to work around the deficiencies at the Health Region's trauma tertiary centre. Other capital needs include those for mental health services, a number of long term care facilities, both in urban and rural centres, and St. Elizabeth's Hospital in Humboldt.

In the area of volume pressure, the Health Region has limited control over the drivers of volume increases, particularly in the areas of diagnostics and surgeries.

In the area of pharmaceuticals and for medical and surgical prosthetics, the cost increases are dramatic, associated in large part with the continuing and expensive advancements in new/improved drug therapies and medical and surgical prosthetics.

Summary Report on Health Care Organizations

As noted earlier in this report, Saskatoon Health Region contracts with a variety of health care organizations (HCOs), and the relationship between the Health Region and these entities is an important factor in the delivery of quality health care services. In 2002-03 the nature of these relationships changed marginally with the establishment of the Health Region and the introduction of *The Regional Health Services Act*, but the accountability requirements defined by legislation and regulations will necessarily lead to additional changes in the future.

Following is list of the health care organizations that received funding through the Health Region in 2002-03: Canadian Mental Health Association, Crocus Co-op, George Bailey Centre Inc., Larson Intervention House Inc., Saskatoon Crisis Intervention Services Inc., Saskatoon Housing Coalition Inc. and Saskatoon Society for Autism Inc.

Conclusion

The members, senior leadership, staff and partners of the Saskatoon Health Region take great pride in providing health care services to the people of Saskatchewan. The 2002-03 year was both challenging and rewarding and we made substantial progress in working with people and organizations to advance the health of individuals and communities.

The success of our efforts is tied directly to both individual and collective willingness to accept shared responsibility for our health. We are grateful for the dedication and commitment of the thousands of people who contribute care and attention to this priority in our society.

Auditors' Report to the Board of Directors

We have audited the statement of financial position of Saskatoon Regional Health Authority as at March 31, 2003, and the statements of operations, changes in fund balances and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2003, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The comparative figures include amounts audited by other firms of chartered accountants as a result of the amalgamation of district health boards, as described in note 2(a).

KPMG LLP

Chartered Accountants
Saskatoon, Saskatchewan
May 20, 2003

Statement of Financial Position

March 31, 2003, with comparative figures for 2002

(thousands of dollars)

	Operating Fund	Restricted Funds	Total 2003	Total 2002
ASSETS				
Current assets:				
Cash (schedule 3)	$17,462	$ 227	$ 17,689	$ 14,368
Short-term investments (schedule 3)	3,655	1,231	4,886	4,859
Accounts receivable				
Saskatchewan Health	8,804	1,153	9,957	13,118
Other	10,077	305	10,382	11,143
Inventory	5,730	–	5,730	6,332
Prepaid expenses	926	–	926	1,747
Interfund balance	81	–	81	9
	46,735	2,916	49,651	51,576
Capital assets (note 3)	–	249,340	249,340	267,912
	$46,735	$252,256	$298,991	$319,488
LIABILITIES AND FUND BALANCES				
Current liabilities:				
Accounts payable and accrued liabilities	$24,497	$ 1,604	$ 26,101	$ 32,427
Accrued salaries	12,904	–	12,904	10,527
Vacation payable	24,015	–	24,015	21,769
Current portion of long-term debt (note 6)	–	7,061	7,061	1,188
Deferred revenue (note 7)	7,747	–	7,747	6,468
Interfund balance	–	81	81	9
	69,163	8,746	77,909	72,388
Long-term debt (note 6)	–	5,924	5,924	6,253
Fund balances:				
Restricted funds:				
Invested in capital assets	–	236,355	236,355	260,471
Internally restricted (note 6)	–	770	770	736
Externally restricted (note 17)	–	461	461	641
Unrestricted	(22,428)	–	(22,428)	(21,001)
	(22,428)	237,586	215,158	240,847
Commitments and contingencies (notes 4 and 5)				
	$46,735	$252,256	$298,991	$319,488

See accompanying notes to financial statements.

On behalf of the Board:

Bob Bundon, Director

Keith Thomson, Director

Statement of Operations

March 31, 2003, with comparative figures for 2002

(thousands of dollars)

	Operating Fund			Restricted Funds	
	Budget 2003 (note 12)	2003	2002	Total 2003	Total 2002
Revenue:					
Saskatchewan Health – General Revenue Fund	$467,906	$469,509	$432,750	$ 4,472	$ 12,118
Out-of-province and third party charges	13,964	15,172	11,750	–	–
Other	10,608	11,264	9,650	–	–
Long-term resident and respite fees	4,833	4,916	4,801	–	–
Home based service client fees	1,557	1,423	1,378	–	–
Other provincial revenue	963	963	46	–	–
Federal funding	232	392	271	–	–
Emergency response service fees	131	143	136	–	–
Ancillary operations	–	–	–	15,459	14,289
Donations	–	–	–	1,329	2,547
CMHC mortgage subsidies	–	–	–	210	213
Investment income	–	–	–	205	641
	500,194	503,782	460,782	21,675	29,808
Expenses:					
Core groups:					
Ambulatory care	5,785	6,350	5,666	–	–
Central Plains	19,134	19,033	18,330	–	–
Continuing care	13,611	13,280	12,119	–	–
Emergency	15,409	16,032	14,444	–	–
Family health	24,969	24,747	23,184	–	–
Gabriel Springs	7,128	6,848	7,081	–	–
Lab services	26,998	26,672	25,212	–	–
Living Sky	17,814	18,367	17,105	–	–
Medical imaging	20,468	21,295	19,103	–	–
Medicine	45,884	46,593	43,480	–	–
Mental health	14,295	14,224	13,500	–	–
Palliative care	1,625	1,710	1,577	–	–
Public health	9,472	9,372	8,842	–	–
Rehabilitation and social work	21,816	21,382	20,240	–	–
Renal	7,649	8,158	7,208	–	–
Surgery	53,675	55,234	50,815	–	–
Women and children	29,845	29,826	28,056	–	–
Support services:					
Administration	6,433	6,050	4,709	1,194	1,330
Ancillary	–	–	–	12,821	10,870
Communications	466	441	352	–	–
Amortization	–	–	–	34,003	30,189
Environmental services	13,268	13,248	12,529	–	–
Finance	4,314	4,157	4,203	–	–
Food services	11,828	11,943	11,317	–	–
Human resources	7,800	7,515	6,446	–	–
Information systems	7,786	7,811	7,631	–	–
Materials management	9,320	9,027	8,101	–	–
Medical affairs	12,096	12,809	11,256	–	–
Patient information	10,685	10,693	9,735	–	–
Pharmacy	7,732	7,149	5,862	–	–
Property services	15,278	15,531	14,381	–	–
Strategic health information	1,643	1,486	1,191	–	–
Transfers to other organizations (note 14)	55,968	56,030	53,840	115	1,706
	500,194	503,013	467,515	48,133	44,095
Excess (deficiency) of revenue over expenses	$ –	$ 769	$ (6,733)	$(26,458)	$(14,287)

See accompanying notes to financial statements.

Statement of Changes in Fund Balances

March 31, 2003, with comparative figures for 2002

(thousands of dollars)

	Operating Fund		Restricted Funds	
	2003	2002	2003	2002
Fund balances, beginning of year	$(21,001)	$(12,435)	$261,848	$274,302
Excess (deficiency) of revenue over expenses	769	(6,733)	(26,458)	(14,287)
Interfund transfers	(2,196)	(1,833)	2,196	1,833
Fund balances, end of year	$(22,428)	$(21,001)	$237,586	$261,848

See accompanying notes to financial statements.

Statement of Cash Flows

March 31, 2003, with comparative figures for 2002

	Operating Funds		Restricted Funds	
	2003	2002	2003	2002
Cash provided by (used in):	Operating Activities		Financing and Investing Activities	
Excess (deficiency) of revenue over expenses	$ 769	$ (6,733)	$(26,458)	$(14,287)
Amortization	–	–	34,003	30,189
Change in non-cash working capital:				
Accounts receivable	1,077	(6,034)	2,845	294
Inventory	602	(377)	–	–
Prepaid expenses	821	3	–	(64)
Accounts payable and accrued liabilities	(251)	10,078	(6,075)	–
Accrued salaries	2,377	6,150	–	–
Vacation payable	2,246	2,170	–	–
Deferred revenue	1,279	2,375	–	–
Interfund balances	(90)	271	90	(271)
	8,830	7,903	4,405	15,861
Long-term debt repayment	–	–	(341)	(313)
Long-term debt issuance	–	–	5,885	–
	–	–	5,544	(313)
Increase in short-term investments	–	–	(27)	(600)
Purchase of capital assets	–	–	(15,431)	(17,707)
	–	–	(15,458)	(18,307)
Net increase (decrease) in cash	8,830	7,903	(5,509)	(2,759)
Cash, beginning of year	10,828	4,758	3,540	4,466
Interfund transfers	(2,196)	(1,833)	2,196	1,833
Cash, end of year	$17,462	$10,828	$ 227	$ 3,540

See accompanying notes to financial statements.

Notes to Financial Statements Year ended March 31, 2003

1. Legislative authority

On August 1, 2002, the Legislative Assembly passed *The Regional Health Services Act* (the Act). This Act created the Saskatoon Regional Health Authority ("SRHA"). The Authority is responsible for the planning, organization, delivery and evaluation of health services within the geographic area known as the Saskatoon Health Region.

On coming into force, the Act terminated the membership of the individual District Health Boards. All assets, liabilities, rights and obligations of the District Health Boards continue as the assets, liabilities, rights and obligations of the Regional Health Authority. All contracts with the District Health Boards remain in effect until repealed or replaced by the Regional Health Authorities.

2. Significant accounting policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include the following significant accounting policies:

a) Amalgamation of former District Health Boards

Four former District Health Boards, Saskatoon District Health Board, Central Plains District Health Board, Gabriel Springs District Health Board and Living Sky District Health Board, have been amalgamated in these financial statements using the continuity-of-interests method whereby prior period amounts are included in these financial statements at previously reported amounts. All assets, liabilities, revenues and expenses have been combined in both the 2002 and 2003 fiscal years.

b) Affiliated organizations:

SRHA has entered into affiliation agreements with the following health care organizations to provide health services:

Bethany Pioneer Village Inc.
Central Haven Special Care Home Inc.
Circle Drive Special Care Home Inc.
Duck Lake & District Nursing Home Inc.
Jubilee Residence Inc. (Stensrud Lodge)
Jubilee Residences Inc. (Porteous Lodge)
Lakeview Pioneer Lodge Inc.
Langham Senior Citizens' Home
LutherCare Communities (Lutheran Sunset Home)
Mennonite Nursing Home
Oliver Lodge
Preston Nursing Home, Saskatoon of Extendicare (Canada) Inc.
Saskatoon Convalescent Home
Senior Sisters of Sion Residence
Sherbrooke Community Society Inc.
Spruce Manor Special Care Home Inc.
St. Ann's Senior Citizens Village Corporation
St. Elizabeth's Hospital
St. Joseph's Home for the Aged
St. Paul's Hospital (Grey Nuns) of Saskatoon
Sunnyside Adventist Care Centre
Warman Mennonite Special Care Home

SRHA has also entered into a Joint Service Management Partnership and a Memorandum of Mutual Understanding and intent with one of its affiliates, St. Paul's Hospital (Grey Nuns) of Saskatoon ("St. Paul's"). Within these agreements, SRHA and St. Paul's were each given responsibility for the management of designated care groups and support services. As a result of this relationship, the financial statements of St. Paul's have been consolidated with the financial statements of SRHA. Transactions between SRHA and St. Paul's and inter-organization balances have been eliminated.

Except for St. Paul's, these financial statements do not include the financial activities of the affiliates. Note 14 describes the financial position, results of operations and cash flows of these affiliates.

c) Foundations

The following Foundations raise funds exclusively for programs and equipment for facilities under the SRHA:

Royal University Hospital Foundation
Saskatoon City Hospital Foundation
St. Paul's Hospital Foundation
Watrous Community Health Foundation Inc.
Last Mountain Pioneer Home Inc.

The Foundations are incorporated under *The Non-Profit Corporations Act* and are registered charities under *The Income Tax Act*.

These financial statements do not include the financial activities of the Foundations. Note 15 describes the financial position and results of operations and cash flows of these Foundations.

d) Fund accounting

The accounts of the SRHA are maintained in accordance with the restricted fund method of accounting. For financial reporting purposes, accounts with similar characteristics have been combined into the following major funds:

i) Operating fund

The operating fund reflects the primary operations of the SRHA including revenues received for provision of health services from Saskatchewan Health – General Revenue Fund, and billings to patients, clients, the federal government and other agencies for patient and client services. Other revenue consists of donations, recoveries, and ancillary revenue. Expenses are for the delivery of health services.

ii) Restricted funds

a. Capital fund

The capital fund is a restricted fund that reflects the equity of the SRHA invested in capital assets and available for the acquisition or construction of capital assets after taking into consideration any associated long-term debt. The capital fund includes revenues received from Saskatchewan Health – General Revenue Fund designated for construction of capital projects and the acquisition of capital assets. The capital fund also includes donations designated for capital purposes by the contributor. Expenses consist primarily of amortization of capital assets.

b. Community trust funds:

The community trust funds are restricted funds that reflect community generated assets transferred to the SRHA in accordance with the pre-amalgamation agreements signed with the amalgamating health corporations. The assets include cash and investments initially accumulated by the health corporations in the SRHA from donations or municipal tax levies. These assets are accounted for separately and use of the assets is subject to restrictions set out in pre-amalgamation agreements between the SRHA and the health corporations.

e) Revenue

Unrestricted contributions are recognized as revenue in the operating fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted contributions related to general operations are recognized as revenue of the operating fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

f) Capital assets

Capital assets are recorded at cost. Normal maintenance and repairs are expensed as incurred. Capital assets, with a life exceeding one year, are amortized on a straight-line basis over their estimated useful lives as follows:

Asset	Rate
Buildings	2.5% to 10%
Land improvements and leasehold improvements	5% to 10%
Equipment	10% to 20%

Donated capital assets are recorded at their fair value at the date of contribution if fair value can be reasonably determined.

g) Inventory

Inventory consists of medical and surgical supplies, drugs, laboratory supplies, linen and other general supplies. All inventories are valued at cost as determined on the weighted average basis.

h) Investments

Investments are recorded at the lower of cost and net realizable value.

i) Pensions

Employees of the SRHA participate in several multi-employer defined benefit pension plans or a defined contribution plan. The SRHA follows defined contribution plan accounting for its participation in the plans. Accordingly the SRHA expenses all contributions it is required to make in the year.

j) Measurement uncertainty

These financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles. In the preparation of financial statements, management makes various estimates and assumptions in determining the reported amounts of assets and liabilities, revenue and expenses and in the disclosure of commitments and contingencies. Changes in estimates and assumptions will occur based on the passage of time and the occurrence of certain future events. The changes will be reported in the period in which they become known.

3. Capital assets

(thousands of dollars)

	Cost	Accumulated amortization	2003 Net book value	2002 Net book value
Land and land improvements	$ 3,311	$ 2,004	**$ 1,307**	$ 1,490
Buildings	385,070	184,249	**200,821**	213,613
Furniture and equipment	205,377	170,546	**34,831**	46,299
Construction in process	12,381	–	**12,381**	6,510
	$606,139	$356,799	**$249,340**	$267,912

4. Commitments

a) Capital Commitments

At March 31, 2003, acquisitions of capital asset commitments and improvements were $6.7 million.

b) Operating Leases

Minimum annual rentals under operating leases and maintenance contracts on property and equipment over the next five years are as follows:

(thousands of dollars)	
2004	$8,249
2005	7,621
2006	7,367
2007	7,367
2008	7,367

5. Contingencies

SRHA, along with others, is a defendant to several claims which have been brought against it over the years as a result of its medical operations. SRHA believes these claims are without merit or are covered by insurance and accordingly has not made any provision for losses in their accounts. Settlements, if any, in excess of insurance coverage, would be accounted for as a charge against operations in the period in which settlements arise.

6. Long-term debt

(thousands of dollars)			
Title of Issue	Annual Repayment Terms	2003	2002
Royal Bank, demand, prime plus 1%, unsecured	Due April 25, 2003	$ 5,885	$ –
CMHC mortgages, due at various dates ranging from 2003 to 2027, with interest rates ranging from 5.375% to 8.00%.	$392 principal and interest of which $211 is subsidized by CMHC	4,305	4,399
Royal Bank, due March 1, 2005, 8.15%	$190 principal and interest	1,760	1,807
Royal Bank, demand, prime, unsecured	$110 principal and interest	594	677
Royal Bank, demand, prime plus 1%, unsecured	$93 principal and interest	265	342
CUCORP, due May 31, 2009, 6.85%	$51 principal and interest	176	216
		12,985	7,441
Less: current portion		7,061	1,188
		$ 5,924	$6,253

For each of the CMHC mortgages, the SRHA has pledged the related buildings as security. An assignment of rental revenue has also been taken as security on the Nokomis Health Centre CMHC Loan. CUCORP loans are secured by the assignment of future funding from rural municipalities. The Royal Bank loans are secured by general securities agreements and assignments of rents and leases.

The SRHA is required to maintain certain replacement reserves as a condition of receiving a subsidized mortgage or a mortgage interest subsidy from the Canada Mortgage and Saskatchewan Housing Corporation. As at March 31, 2003, the internally restricted replacement reserves were $770,000 (2002 – $736,000).

Principal repayments required in each of the next five years and thereafter are estimated as follows:

(thousands of dollars)	
2004	$7,061
2005	152
2006	163
2007	175
2008	188
Thereafter	5,246

7. Deferred revenue

(thousands of dollars)

	Balance, beginning of year	Less amount recognized from Saskatchewan Health	Add amount received from Saskatchewan	Less amount recognized from other sources	Add amount received from other sources	Balance, end of year
Acute	$2,060	$ (125)	$ 152	$ (83)	$ 22	$2,026
CHIPP (Telehealth)	123	–	600	–	58	781
Clinical education and training	–	–	326	–	–	326
Medical remuneration	–	–	800	–	–	800
Visudyne	869	(715)	42	–	–	196
Academic detailing	217	(217)	275	–	–	275
Community	685	(158)	266	(54)	266	1,005
ABI flex funds	5	–	–	(601)	612	16
Kids First program	337	–	–	(326)	291	302
Primary care programs	175	–	117	–	–	292
SGI FIT capital	206	–	–	(29)	80	257
Health initiatives	712	(186)	–	–	–	526
Supportive care	216	–	44	–	–	260
Program	419	(109)	–	–	24	334
Workplace wellness	444	(356)	263	–	–	351
Total	$6,468	$(1,866)	$2,885	$(1,093)	$1,353	$7,747

8. Trust accounts

SRHA administers funds held in trust for clinical research and patients and residents using the SRHA's facilities. The total cash held in trust as at March 31, 2003 was $2,960,000 (2002 – $2,773,000). These amounts are not reflected in the financial statements.

9. Related party transactions

These financial statements include transactions with related parties. SRHA is related to all Saskatchewan Crown agencies such as departments, corporations, boards and commissions under the common control of the government of Saskatchewan. SRHA is also related to non-Crown enterprises that the government jointly controls or significantly influences. In addition, SRHA is related to other non-government organizations by virtue of its economic interest in these organizations.

Transactions with these related parties are in the normal course of operations. Amounts due to or from related parties and the recorded amounts of these transactions are included in the financial statements and the table below. They are recorded at the standard rates charged by those organizations and are settled on normal trade terms.

(thousands of dollars)	2003	2002
Revenue:		
Saskatchewan Health	$473,981	$444,868
Saskatchewan Cancer Foundation	8,906	6,685
Saskatchewan Workers' Compensation Board	6,269	4,184
Saskatchewan Government Insurance	2,802	2,791
Other	1,775	1,967
Foundations	1,011	2,249
Public Trustee for Saskatchewan	280	282
Saskatchewan Municipal Government	180	213
Saskatchewan Social Services	49	39
HSURC	39	57
	$495,292	$463,335
Expenses:		
Affiliated organizations	$ 54,283	$ 53,758
Saskatchewan Association of Health Organizations	42,154	31,196
University of Saskatchewan	7,416	5,515
Saskatchewan Workers' Compensation Board	6,210	5,383
SaskTel	5,405	3,252
Community based organizations	1,862	1,788
Department of Finance	1,058	1,176
Other	943	235
SaskEnergy	890	459
SaskPower	884	1,009
Saskatchewan Property Management Corp.	629	590
Saskatchewan Housing Corporation	273	216
Saskatchewan Government Insurance	232	71
	$122,239	$104,648
Accounts receivable:		
Saskatchewan Health	$ 9,957	$ 13,118
Saskatchewan Cancer Foundation	2,414	1,841
Saskatchewan Government Insurance	1,353	953
Other	953	1,543
	$ 14,677	$ 17,455
Accounts payable:		
University of Saskatchewan	$ 787	$ 1,268
SAHO	264	–
Affiliated organizations	29	94
	$ 1,080	$ 1,362

In addition, SRHA pays Provincial Sales Tax to the Saskatchewan Department of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

10. Comparative figures

Certain 2002 balances have been reclassified to conform with the current year presentation.

11. Pensions

Employees of SRHA participate in one of the following pension plans. Some employees participate in the Saskatchewan Healthcare Employees' Pension Plan (SHEPP), which is jointly governed by a board of eight trustees. Four of the trustees are appointed by the Saskatchewan Association of Health Organizations (SAHO) (a related party) and four of the trustees are appointed by Saskatchewan's health care unions (CUPE, SUN, SEIU, SGEU, RWDSU and HSAS). SHEPP, is a multi-employer defined benefit plan which came into effect December 31, 2002. (Prior to December 31, 2002, this plan was formerly the SAHO Retirement Plan and governed by the SAHO Board of Directors). Other employees participate in either the Public Service Superannuation Plan (a related party), which is a defined benefit plan, or the Public Employees' Pension Plan (a related party), which is a defined contribution plan. Both of these plans are the responsibility of the Province of Saskatchewan. SRHA's financial obligation to the plans is limited to making required payments to match amounts contributed by employees for current services.

Pension expense for the year amounted to $11,290,000 (2002 – $10,329,000).

12. Budget

The operating budget, which is included in the SRHA's Health Plan, was approved by the Board and the Minister of Health.

13. Financial instruments

a) Significant terms and conditions

There are no significant terms and conditions related to financial instruments classified as current assets or current liabilities that may affect the amount, timing and certainty of future cash flows. Significant terms and conditions for the other financial instruments are disclosed separately in these financial statements.

b) Credit risk

SRHA is exposed to credit risk from the potential non-payment of accounts receivable. The majority of the SRHA's receivables are from Saskatchewan Health – General Revenue Fund, Saskatchewan Workers' Compensation Board, health insurance companies or other provinces. Therefore, the credit risk is minimal.

c) Fair value

The following methods and assumptions were used to estimate the fair value of each class of financial instrument:

- The carrying amounts of these financial instruments approximate fair value due to their immediate or short-term nature.
  - cash
  - short term investments
  - accounts receivable
  - accounts payable and accrued liabilities
  - accrued salaries
  - vacation payable

- The fair value of long-term debt, including current portions, is $10,222,000 (2002 – $4,620,000) net of mortgage subsidies determined using discounted cash flow analysis based on current borrowing rates.

d) Short-term borrowing

SRHA has a line-of-credit limit of $4,000,000 with an interest charged at prime less 0.5% which is re-negotiated annually. The line-of-credit is secured by a Borrower's Resolution offering security signed by the Board. Total interest paid on the line-of-credit in 2003 was $23,129 (2002 – $75,630). This line-of-credit was approved by the Minister.

14. Transfers to other organizations

During the year, SRHA provided funding to the following organizations:

(thousands of dollars)	2003	2002
Operating:		
Sherbrooke Community Society Inc.	$10,277	$ 9,784
St. Elizabeth's Hospital	6,800	6,569
Luther Care Communities (Lutheran Sunset Home)	4,706	4,489
Oliver Lodge	2,990	2,889
Sunnyside Adventist Care Centre	2,923	2,805
Jubilee Residence, Inc. (Stensrud Lodge)	2,569	2,406
Preston Nursing Home, Saskatoon of Extendicare (Canada) Inc.	2,511	2,410
Mennonite Nursing Home	2,457	2,450
Jubilee Residences Inc. (Porteous Lodge)	2,492	2,271
St. Ann's Senior Citizens Village Corporation	2,339	2,154
Community-based organizations	2,261	2,090
St. Joseph's Home for the Aged	2,134	2,034
Saskatoon Convalescent Home	2,033	1,830
Circle Drive Special Care Home Inc.	1,894	1,802
Central Haven Special Care Home Inc.	1,518	1,434
Lakeview Pioneer Lodge Inc.	1,475	1,418
Bethany Pioneer Village Inc.	1,109	1,108
Duck Lake & District Nursing Home Inc.	1,098	1,059
Spruce Manor Special Care Home Inc.	1,094	974
Warman Mennonite Special Care Home	831	782
Langham Senior Citizens' Home	469	460
Senior Sisters of Sion Residence	50	50
Salvation Army Eventide Home	–	572
	56,030	53,840
Capital	115	1,706
	$56,145	$55,546

Included in transfers to other organizations are transfers to affiliated organizations.

The following represents the financial position, results of operations and cash flows for SRHA's affiliated organizations which have not been consolidated in these financial statements.

(thousands of dollars)	2003	2002
Financial position:		
Assets	$75,804	$74,588
Liabilities	37,245	35,565
Fund balances	37,839	39,023
	$75,084	$74,588
Results of operations:		
Revenue	$78,325	$75,223
Expenses	79,509	76,633
Excess of revenue over expenses	$ (1,184)	$ (1,410)
Cash provided by (used in):		
Operations	$ 1,404	$ 1,393
Financing	(1,403)	386
Investing	(462)	(1,965)
Decrease in cash	$ (461)	$ (186)

15. Foundations

During the year, foundations provided funding of approximately $1.0 million (2002 – $2.2 million) for programs and capital acquisitions reported in donation and ancillary revenue:

In addition, the Foundations provided education and research funding to employees of SRHA of $947,000 (2002 – $647,000) which is not reflected in these financial statements.

The following represents the financial position, results of operations and cash flows for the Foundations which have not been consolidated in these financial statements

(thousands of dollars)	2003	2002
Financial position:		
Assets	$16,397	$14,207
Liabilities	369	668
Fund balances	16,028	13,539
	$16,397	$14,207
Results of operations:		
Revenue	$ 6,463	$ 5,793
Donations	(1,011)	(2,249)
Education and research	(947)	(647)
Other expenses	(2,016)	(1,568)
Excess of revenue over expenses	$ 2,489	$ 1,329
Cash provided by (used in):		
Operations	$ 3,174	$ 1,614
Financing	–	–
Investing	(2,539)	(2,459)
Increase (decrease) in cash	$ 635	$ (845)

16. Volunteer services

The operations of the SRHA utilize services of many volunteers. Because of the difficulty in determining the fair market value of these donated services, the value of these donated services is not recognized in the financial statements.

17. Community trust funds

During the year, community trust funds generated investment income of $17,000 (2002 – $22,000), received donations of $122,000 (2002 – $240,000), and purchased equipment of $319,000 (2002 – $107,000).

18. Compensation

For the year ended March 31, 2003, the Chief Executive Officer's remuneration consisted of base salary of $248,400 (2002 – $220,833) plus associated benefits of $47,178 (2002 – $37,541).

Schedule 1

Schedule of Expenses by Object
(thousands of dollars)

	2003	2002
Operating:		
Ambulance service grants	$ 4,049	$ 3,472
Benefits	43,958	39,687
Board costs	166	301
Diagnostic imaging supplies	2,126	1,975
Drugs	13,655	11,501
Food	4,927	4,549
Grants to third parties	56,030	53,840
Housekeeping and laundry supplies	3,255	2,985
Information technology contracts and licences	916	854
Insurance	1,036	997
Interest	154	125
Laboratory supplies	4,910	4,352
Medical and surgical supplies	22,212	20,905
Medical remuneration and benefits	27,853	24,794
Office supplies and other office costs	2,352	2,339
Other referred out services	4,305	767
Other	2,668	2,932
Professional fees	2,784	2,570
Prosthetics	7,578	6,858
Purchased service	7,073	9,309
Rent and leases	5,663	5,283
Repairs and maintenance	3,265	3,096
Salaries	264,384	246,900
Service contracts	4,244	4,985
Travel	4,259	4,233
Utilities	9,191	7,906
	503,013	467,515
Restricted:		
Amortization	34,003	30,189
Other	14,130	13,906
	48,133	44,095
	$551,146	$511,610

Schedule 2

Schedule of Operating Expenses by Funding Pool
(thousands of dollars)

	2003	2002
Operating:		
Acute services*	$304,944	$281,003
Specialized hospital programs	23,741	22,597
Supportive care services	25,681	23,653
Grants to affiliates:		
Acute services	6,800	6,569
Supportive care services	46,969	45,182
Home based services	21,531	20,955
Health improvement initiatives:		
Health and wellness centres	2,092	2,044
Rural/urban health initiatives	–	–
Other	16,095	15,024
Community care services	–	–
Emergency response services	4,417	1,998
Addiction services	4,464	4,472
Community health services	27,398	26,063
Mental health services	15,054	14,407
Rehabilitation services	2,735	2,531
Ancillary operations – expenses	1,092	1,017
	$503,013	$467,515

*All support services are reported under acute services.

Schedule 3

Schedule of Cash and Short-term Investments
(thousands of dollars)

	Book Value	Market Value	Effective Rates
Cash			
Chequing and savings	$17,689	$17,689	–
Short-term investments			
Term deposits and GICs	$ 2,028	$ 2,028	3.0%
Mutual funds	1,077	1,074	–
Bonds and debentures			
Federal	115	115	4.5 to 6.5%
Provincial	964	961	3.3 to 5.8%
Corporate	702	713	3.0 to 6.6%
	$ 4,886	$ 4,891	

Saskatoon
Health
Region